



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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Fifth District

October 24, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

WASHINGTON, D.C. UPDATE

Federal Fiscal Year (FFY) 2008 Commerce/Justice/Science Appropriations Bill

Last week, the Senate passed H.R. 3093, the Federal Fiscal Year (FFY) 2008 Commerce/Justice/Science (CJS) appropriations bill, by a vote of 75 to 19. Before passing the bill, the Senate approved an amendment to provide \$110 million for the Community Oriented Policing Services (COPS) Hiring Program – a program which has not been funded since FFY 2005 when its funding level was reduced to \$10 million. The House-passed version of the bill includes \$100 million for the COPS Hiring Program, as seen in the attached table, which compares funding levels for programs of County interest. A floor amendment by Senator Ensign (R-NV), which would have increased State Criminal Alien Assistance Program (SCAAP) funding by \$150 million by reducing National Aeronautics and Space Administration funding was tabled by a vote of 68 to 25. Even without this amendment, the Senate bill appropriates \$370 million for SCAAP, which is far higher than the SCAAP funding levels in Senate CJS appropriations bills in prior years. The House version of H.R. 3093 increases SCAAP funding by \$60 million to \$460 million in FFY 2008.

A conference committee must be convened to reconcile the differences between the Senate and House versions of the FFY 2008 CJS appropriations bill. President Bush has threatened to veto either version because they include more overall discretionary

funding than the \$51.2 billion that he requested. The Senate version exceeds his budget request by \$3.2 billion while the House bill exceeds it by \$2.4 billion. As seen in the attached comparison chart, both houses rejected the President's proposals to eliminate funding for many state and local law enforcement programs, including SCAAP and the Justice Assistance Grant.

FFY 2006 SCAAP Payments

The Office of Justice Programs (OJP) in the U.S. Department of Justice recently awarded a total of \$38.85 million in "supplemental" FFY 2006 SCAAP payments to state and local governments. When combined with the previous \$336.80 million in FFY 2006 SCAAP payments, OJP awarded a total of \$375.65 million in FFY 2006 SCAAP payments. The remaining balance from the \$400 million in FFY 2006 SCAAP appropriations was withheld for OJP administrative costs. The County received a supplemental payment of nearly \$1.22 million, increasing the County's total FFY 2006 SCAAP payments to \$11.76 million.

The OJP initially withheld the \$38.85 million in FFY 2006 SCAAP funds pursuant to language in H.J. Res. 20, the FFY 2007 Continuing Resolution, which provided that millions of unobligated balances from prior year appropriations for OJP shall be rescinded no later than September 30, 2007. The \$400 million in FFY 2006 SCAAP appropriations had been vulnerable to rescission because the Bush Administration supports the elimination of SCAAP, and OJP had not obligated any FFY 2006 SCAAP funds by the time the Continuing Resolution (CR) was enacted in February 2007. The County's Washington, D.C. advocates worked with the County's Congressional delegation to challenge the rescission of any unobligated FFY 2006 SCAAP funds on the grounds that all of the funding should have been obligated and expended to reimburse state and local undocumented criminal alien incarceration costs long before the CR was enacted. The deadline for submitting FFY 2006 SCAAP reimbursement claims was April 11, 2006, and the long delay in FFY 2006 SCAAP payments was unprecedented in SCAAP's history.

Legislation of County Interest: Internet Tax Moratorium

Legislation is pending before Congress to extend the current moratorium on state and local taxation of Internet access taxes that will expire on November 1, 2007. The Internet tax moratorium initially was enacted in 1998 and was extended by Congress in 2001 and 2004. On October 16, 2007, the House passed H.R. 3678, which extends the Internet tax moratorium four additional years, by a vote of 405 to 2. The only "no" votes came from Representative Eshoo (D-CA), who supports a permanent moratorium, and Representative Turner (R-OH) whose office indicated that his "no" vote was accidental.

Each Supervisor
October 24, 2007
Page 3

The bill also clarifies the definition of "Internet access" to mean a service that enables a user to connect to the Internet, including closely related Internet communications, such as e-mail and instant messaging, but excluding voice, audio, or video programming. This definition clarifies that state and local governments can tax telephone and television services provided over the Internet. The Senate has not yet acted on a similar four-year extension bill, S. 1453 (Carper, D-DE), which is co-sponsored by Senator Feinstein.

The four-year extension of the Internet tax moratorium reflects a compromise between business groups and state and local government associations, such as the National Association of Counties, National Governors' Association, National Conference of State Legislatures, and U.S. Conference of Mayors. State and local officials are concerned that a permanent ban on Internet access taxes could result in a major loss of utility tax revenue as growing numbers of persons and businesses use the Internet for telephone, video, and other telecommunications services in lieu of existing telephone and cable television providers that are subject to utility taxes. There is strong support for extending the Internet tax moratorium; at issue has been the time duration of the extension.

We will continue to keep you advised.

WTF:GK
MAL:MT:hg

Attachment

c: All Department Heads
Legislative Strategist

**FEDERAL FISCAL YEAR (FFY) 2008 FUNDING LEVELS
FOR PROGRAMS OF COUNTY INTEREST IN
COMMERCE/JUSTICE/SCIENCE APPROPRIATIONS BILL
(in millions)**

PROGRAMS	Final 2007	President 2008	Senate 2008¹	House 2008²
Justice				
State Criminal Alien Assistance Program	\$ 400	\$ 0	\$ 370	\$ 460
Justice Assistance Grant ³	520	0	595	600
Drug Courts	10	0	40	40
COPS Methamphetamine Grants	63	0	80	85
COPS Technologies & Interoperable Communications ⁴	138	0	110	128
COPS Hiring Grants	0	0	110	100
DNA Initiative	107	0	169	175
Juvenile Justice Formula Grant	74	0	68	96
Juvenile Accountability Block Grant	53	0	80	60
Southwest Border Prosecutor Program	30	0	30	40
Economic Development Assistance	251	170	250	270

Footnotes

¹ H.R. 3093, as passed by the Senate on October 16, 2007.

² H.R. 3093, as passed by the House on July 26, 2007.

³ The funding levels are for formula Justice Assistance Grants only.

⁴ The Senate bill includes \$110 million for COPS "Law Enforcement Technology."